

# Fiscal Note

*Fiscal Services Division*



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**HF 525** – Driver's Licenses Period of Validity (LSB 1727HV)

Analyst: David Heuton (Phone: (515) 725-0509) ([david.heuton@legis.iowa.gov](mailto:david.heuton@legis.iowa.gov))

Fiscal Note Version – New

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## **Description**

**House File 525** lengthens the period of time that driver's licenses and nonoperator's identification cards are valid from five years to eight years with corresponding increases in the licensing fees charged. The cost per year of validity does not change from present law. Drivers under the age of 18, or age 70 and older, may renew their licenses for no more than a two-year period.

## **Assumptions**

- Average annual driver's license renewal volume is approximately 430,000 licenses under the five-year license.
- Average annual driver's license renewal volume under an eight-year license period will be approximately 270,000 licenses.
- The reduction in the number of annual renewals will be approximately 160,000.
- The cost to produce and issue each driver's license is approximately \$8.92.
- County issuance expenses of \$7.00 per license renewal, or \$392,000, will be avoided.
- The additional \$12.00 collected for each eight-year license will offset the revenue lost resulting from the issuance of 160,000 fewer driver's licenses each year.

## **Fiscal Impact**

This Bill will result in an estimated savings to the Road Use Tax Fund of \$1.8 million annually based on the assumptions above. Counties may experience a reduction in issuance costs, but that impact cannot be determined, and is offset by the reduced Department of Transportation retention transfer payments mentioned above.

## **Source**

Department of Transportation

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/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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